

## Message Text

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43

ACTION SS-25

INFO OCT-01 ISO-00 /026 W

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P 151615Z JAN 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 7268

C O N F I D E N T I A L CARACAS 0514

EXDIS

E.O. 11652: GDS

TAGS: ETRD, ENRG, VE

SUBJECT: US-VENEZUELAN EXCHANGE OF NOTES JUNE 26, 1972;

POSSIBLE DUNUNCIATION THEREOF BY VENEZUELA;

QUERY RE ANNOUNCED U.S. INCREASE ON PETROLEUM IMPORT DUTIES

REF: CARACAS 92 AND 200

1. AS WE READ PRESIDENT FORD'S ENERGY SPEECH AND PRESS COVERAGE INDICATING THAT USG WILL PRESENTLY INCREASE TARIFFS ON IMPORTED PETROLEUM AND PRODUCTS, THE QUESTION ARISES AS TO THE POSSIBLE EFFECT OF SUCH MEASURES ON OUR EXISTING AGREEMENT WITH VENEZUELA WHICH MAINTAINS DUTIES ON VARIOUS CRUDE PETROLEUM AND PRODUCTS AT AN ESPECIALLY LOW RATE. THIS EXCHANGE OF NOTES OF JUNE 26, 1972, RETAINED TWO BASIC PROVISIONS OF THE DENOUNCED MULTILATERAL TRADE AGREEMENT OF 1939 MAINTAINING, AS INDICATED ABOVE, LOW TARIFFS ON PETROLEUM EXPORTED TO THE UNITED STATES AND THE MOST FAVORED NATION CLAUSE SET FORTH IN THE OLD RECIPROCAL TRADE AGREEMENT.

2. THUS FAR, AT LEAST IN PUBLIC PRINT, VENEZUELAN HAVE RAISED NO QUERY AS TO POSSIBLE CONFLICT BETWEEN THE U.S. ENGAGEMENT EXPRESSED IN THE NOTE OF JUNE 26, 1972, TO KEEP PETROLEUM DUTIES DOWN, AND THE ANNOUNCEMENT FROM WASHINGTON OF AN IMMEDIATE INTENT BY USG TO PUT THEM UP. HOWEVER, THERE HAS ALREADY BEEN SOME PUBLIC SPECULATION (CARACAS 92 AND 200) ON THE POSSIBLE NECESSITY OF DENOUNCING THE AGREEMENT OF JUNE 26, 1972, AT LEAST SO FAR AS MFN IS CONCERNED.

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3. DEPARTMENT'S VIEWS ON THESE CONTINGENCIES WOULD BE WELCOME.

MCCLINTOCK

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, CUSTOMS DUTIES, IMPORTS, TARIFF BARRIERS, DIPLOMATIC NOTES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 JAN 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975CARACA00514  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750015-0817  
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**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS  
**Reference:** 75 CARACAS 92, 75 AND 200  
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**Review Authority:** GolinoFR  
**Review Comment:** n/a  
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**Review Date:** 12 SEP 2003  
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**Secure:** OPEN  
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**Subject:** US-VENEZUELAN EXCHANGE OF NOTES JUNE 26, 1972; POSSIBLE DUNUNCIATION THEREOF BY VENEZUELA;  
**TAGS:** ETRD, ENRG, VE, US  
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